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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/712,935	11/15/2000	Ying Xie	80168-0126	5703

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EXAMINER	
HAQ, NAEEM U	

ART UNIT	PAPER NUMBER
3625	

DATE MAILED: 06/09/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/712,935	XIE ET AL.	
	Examiner	Art Unit	
	Naeem Haq	3625	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *22 March 2005*.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1,3,5,7-9,11,12,14 and 20-23* is/are pending in the application.

4a) Of the above claim(s) *20-23* is/are withdrawn from consideration.

5)☒ Claim(s) *5* is/are allowed.

6)☒ Claim(s) *1, 3, 7-9, 11, 12, and 14* is/are rejected.

7)☒ Claim(s) *5* is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

Response to Amendment

This action is in response to the Applicants' amendment filed on March 22, 2005. Claims 1, 3, 5, 7-9, 11, 12, 14, and 20-23 are pending. Claims 20-23 were previously withdrawn from consideration and remain withdrawn. Claims 1, 3, 5, 7-9, 11, 12, and 14 will be considered for examination.

Final Rejection

Claim Rejections - 35 USC § 101

The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

Claims 1, 3, 5, 7, and 8 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts. The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts".

See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Moreover, the courts have found that a claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer. See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). Finally, the Board of Patent Appeals and Interferences (BPAI) has recently affirmed a §101 rejection finding the claimed invention to be non-statutory based on a lack of technology. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

Mere intended or nominal use of a component, albeit within the technological arts, does not confer statutory subject matter to an otherwise abstract idea if the component does not apply, involve, use, or advance the underlying process. In the present case, claim 1 recites receiving data over a communications network. This is deemed to be a nominal use of technology because the critical steps of sorting, determining, allocating, and generating are divorced of any technology.

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

> **The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.**

Claims 1, 3, 7-9, 11, 12, and 14 are rejected under 35 U.S.C. 112, first paragraph, as based on a disclosure which is not enabling. Steps and elements which the Applicants' specification discloses as being critical or essential to the practice of the invention, but not included in the claim(s) is not enabled by the disclosure. See *In re*

Mayhew, 527 F.2d 1229, 188 USPQ 356 (CCPA 1976). In the present case, the Applicants' specification teaches that the steps recited in claims 3 and 5 are essential to the practice of the invention (see page 9, line 5 – page 10, line 15). In particular, the Applicants' specification teaches that the step of "allocating a portion of the requested quantity...to the highest losing...bid" and the step of "generating a second...sale price...for the highest losing...bid..." occur only after the steps recited in claims 3 and 5 occur. The Applicants' specification states:

> "*In step S322, the system must account for the fact that one of the winners is not satisfied, that is, there are not enough goods to meet the requests of all the winning bidders. Thus in step S322, the system first assigns a winning price. For the last winner, the winning price is his or her proxy limit price, for the other winners, the winning price is the highest losing proxy bid plus an increment* [claim 3]. *The process then moves to step S324. In step S324, the system determines whether the last winner, i.e., the winning bidder that bid the lowest amount in comparison to the other winning bidders, accepts the partial sale. In other words, if the lowest winning bidder requested 10 items but only 5 items are available, the system determines whether the lowest winning bidder will accept the 5 items (i.e. partial sale). If the lowest winning bidder does not accept the partial sale* [claim 5], *the process moves to step S326, otherwise the process moves to step S330.*" (page 9, line 16 – page 10, line 5).

Clearly the Applicants' specification and Figure 3, items "S324" and "S326" teach that the amended portions of claims 1, 9, and 12 occur only after the specific steps of claims 3 and 5 occur. Since independent claims 1, 9, and 12 do not have these essential limitations, these claims are rendered not enabled by the disclosure.

Claims 1, 3, 7-9, 11, 12, and 14 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. Claims 1, 9, and 12 contain subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. These claims recite an embodiment which lacks proper written description support in the specification. In particular, these claims recite an embodiment that allocates a portion of the requested quantity to a highest losing bidder and generates a second price for the highest losing bidder without performing the necessary limitations of claims 3 and 5. There is no support for this embodiment in the disclosure.

The following is a quotation of the second paragraph of 35 U.S.C. 112:

> **The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.**

Claims 1, 3, 7-9, 11, 12, and 14 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 1, 9, and 12 recite the limitation "the highest losing proxy bid". There is insufficient antecedent basis for this limitation in the claims. Furthermore, as noted

above, these claims contain limitations which can only be performed after the limitations of claims 3 and 5 are performed. Since the limitations of claims 3 and 5 are not present in claims 1, 9, and 12 and since the claimed embodiment is not described in the specification, it is unclear to the examiner what the term "the highest losing proxy bid" means.

Allowable Subject Matter

Claim 5 would be allowable if rewritten to overcome the rejection(s) under 35 U.S.C. 112, and 35 U.S.C. 101 as set forth in this Office action and to include all of the limitations of the base claim and all intervening claims.

The following is a statement of reasons for the indication of allowable subject matter: The cited prior art does not teach the exact steps of allocating and generating as recited in claim 5.

Response to Arguments

Applicant's arguments have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP

§ 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Naeem Haq whose telephone number is (571)-272-6758. The examiner can normally be reached on M-F 8:00am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn W. Coggins can be reached on (571)-272-7159. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Naeem Haq, Patent Examiner
Art Unit 3625

June 6, 2005

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